

Enterprise IT Financial Workgroup

Minutes
August 31, 2016
1:00 p.m.
Cogswell Room 51

Members Present:

Kim Moog, DLI, Chair
Ron Baldwin, SITSD/CIO
Mike Bousliman, DOT
☞ John Daugherty, COR
Jennifer Simmons, LEG
Tricia Greiberis, DNRC

Erica Johnston, DPHHS
Jay Phillips, OPI
Kris Schmitz, MSL
James Schneider, SITSD
☞ Lisa Mader JUD

Staff Present:

Jennifer Schofield, Wendy Jackson

Guests Present:

☞ Real-time Communication:

Kiela Harris BMS, Nate Thomas DOJ CSD, Joe Chapman, ITSD

Welcome and Introductions

Kim Moog welcomed the workgroup to the August 31, 2016 meeting. All members and guests were introduced.

Minutes

The July 28, 2016 minutes were reviewed. Kim Moog confirmed that there were unresolved issues from the last meeting. There is a missing action item from Matt Pugh regarding the ongoing concerns with the HR Query.

Action Item: Kim Moog will follow up on the ongoing issues with the HR Query.

Action Item: Kim Moog will follow up with Matt Pugh on the action item from the July 28 meeting.

Ms. Moog recommended the workgroup approves the July 28, 2016 and August 31, 2016 minutes at the September 13, 2016 meeting.

Business

Legislative Prep / Volume 10 / SABHRS Query

James Schneider gave a summary of Volume 10 and the SABHRS Query. The first three pages of the Query are an overview of total costs by agency. Page one outlines the total spend including State Information Technology Serviced Division (SITSD) costs as \$210,251,184.11. The second page lists Non-SITSD costs at \$168,092,009.40. The third page shows SITSD costs at \$42,159,174.71. The fourth page shows the Query broken down by agency and account titles. The last page lists the same information filtered by account code. These accounts can be expanded to show specifically what these funds were spent on. The final cost, not including Personal Services and SITSD support, is \$109,289,973.46. \$46M of the \$51M regarding the IT Consults and Professional Services is allocated to Department of Public Health and Human Services (DPHHS) Medicaid Management Information System (MMIS) cost and DPHHS major contracts.

Ms. Moog requested that the information listed on the last few pages of the Volume 10 Query be sorted by House Bill 10, Budget Amendment, and House Bill Two.

Action Item: Mr. Schneider will check to see if the Query can provide this information.

Mr. Schneider stated that the first three pages do include House Bill 10 because it is Long Range IT program funding. There is a possibility that the Long Range IT program costs are artificially low due to the refunded \$10M received from the Xerox contract. Mr. Schneider noted that, because of the state's increase in reliance on SITSD services, the SITSD budget is increasing. To account for that, the Office of Budget and Program Planning (OBPP) is in the process of scheduling meetings with each agency to determine where cost savings might be found. This will include an in depth inquiry into the types of things that money was spent on to locate cost savings for the FY18 budget. The Volume 10 Query shows, not only what agency spent, but what that cost was specifically spent on. The intent is to locate areas where agencies will be able to eliminate costs because those services will be provided by SITSD due to the Enterprise IT Convergence. Mr. Schneider confirmed that the workgroup will have this information prior to the meeting with the Governor's Office. Mike Bousliman expressed concerns about complications that could arise when comparing last biennium's expenses to planned spending for the next fiscal year. Agency needs will not be identical year to year due to several factors including programmatic changes. The workgroup agreed with Mr. Bousliman and his concerns about budgeting based on prior fiscal year's information. Mr. Bousliman also mentioned the complications that may arise from the combination of consolidating rates and corresponding rate changes. Mr. Bousliman commented that he believed it will be essential for Ron Baldwin to explain to the Legislature the increases and decreases in agency needs.

Ms. Moog agreed and commented that the EITFW could assist in communicating that message with an emphasis on the overall cost of IT is going down. She also emphasized the importance of communicating as effectively as possible since this is the first time a Volume 10 Query has been conducted.

Mr. Schneider clarified that Amy Sassano and her group will be providing training to the proper committees on Volume 10. They will begin at the beginning of the Legislative Session. Mr. Schneider explained that he will be sending a soft copy of the Volume 10 Query to the workgroup members. Members can then look at each expense in further detail and see exactly what the money was spent on. This information will allow members to articulate and explain specifics concerning each cost.

Action Item: Mr. Schneider will email a copy of Volume 10 Query to EITFW.

Kris Schmitz asked if all of the funding sources have been included in the Volume 10 Query.

Mr. Schneider confirmed that the Query does break down what type of fund is being listed.

Ms. Moog asked if Enterprise Content Management (ECM) was included in the Volume 10 Query. Mr. Baldwin stated that ECM was not included. He also provided clarification on the conversations that will happen in regard to the Volume 10 Query. Mr. Baldwin will explain agency budgeting from a global and SITSD perspective. Mr. Baldwin will speak with the agency heads in the Appropriations Subcommittee. Mr. Baldwin mentioned that Jerry Murphy is writing a document that is meant to aid in this process.

Mr. Schneider confirmed that this document is projected to be completed by mid-September, 2016.

Ms. Moog asked if the agencies will get a chance to review this document before their meetings with OBPP.

Mr. Schneider confirmed that he believed this to be the case.

Jay Phillips asked if the Legislative Fiscal Division (LFD) was a part of these discussions.

Mr. Baldwin confirmed that LFD is involved in this process and related discussions.

Mr. Bousliman and Ms. Moog stated it is essential for SITSD and all other agencies to be aligned in the approach they take to answering these questions.

Mr. Baldwin commented that the calculated budget for SITSD at this point is around \$47M.

Ms. Moog suggested that, due to the proximity of the Governor Office meetings, the work group should have an additional meeting in two weeks.

The workgroup agreed to the necessity for an additional meeting.

Action Item: CIO support staff will schedule another meeting to occur in two weeks.

Action Item: CIO Support staff will post a copy of the Volume 10 and SABHRS Query on the website.

Service Decision Briefs

Kim Moog will continue to work on the fiscal template for the decision brief. Once completed, she will email that to CIO Support Staff to update the decision brief template.

Template Disclaimer Language

Jay Phillips gave a brief overview of the Template Disclaimer. He described the distinction this template makes as general IT costs versus program specific (or direct cost). Due to the nature of direct cost classifications, Office of Public Instructions (OPI) is 46% overstated in Volume 10 Personal Services. This may be a serious issue for some agencies as it is rooted in the way IT codes are classified. Mr. Phillips stated the need to make sure that these sub committees and Amy Sassano are aware that the inclusion of program costs and Volume 10 results gives an overstatement of general IT costs.

Mr. Baldwin confirmed that he has heard this same issue from several different agencies. This highlights the need for a specifically stated disclaimer in the preamble to Volume 10.

Mr. Schneider told the workgroup that Amy Sassano is not seeking cost savings from the Personal Services area. That doesn't mean that the legislature is not looking for savings in this area. Because the overall query includes Personal Services, agencies need to be prepared to answer questions regarding spending in this area.

Mr. Baldwin commented that inquiries into Personal Services spending would be answered with an explanation that Volume 10 is a work-in-progress from a spending on equipment perspective and spending on Personal Service perspective.

Ms. Schmitz asked when will the disclaimer would be added to Volume 10.

Mr. Baldwin responded that the disclaimer should be ready by the end of the month.

Ms. Simmons stated that she approved of the template as a high level disclaimer, regardless of branch of government. Some agencies might require a specific disclaimer geared towards the needs of their agency.

Mr. Baldwin responded that the disclaimer needs to be done on an agency by agency basis, all using the same premise.

Ms. Moog asked for confirmation that the Governor's Office would approve of this disclaimer.

Mr. Schneider confirmed the Governor's Office's approval of the disclaimer.

Mr. Baldwin stated that he wanted to go back to the mock-up phase in the next meeting and develop a draft which would include several agencies. This draft will then be reviewed by the workgroup and given to the other agencies to use as a guide. Mr. Baldwin commented that this should be covered in the first meeting with Amy Sassano.

Mission Statement Update

Mr. Baldwin reviewed the Mission Statement. He observed that these goals had been agreed upon by the group in the past and are still valid. The workgroup agreed.

Action Item: CIO Staff will post the Mission Statement on the website.

Adjournment

Next Meeting

September 13, 2016, 2:00 PM

Mitchell Building, RM 218

Adjourn

Jay Phillips made a motion to adjourn. Kim Moog seconded that motion. The meeting was adjourned at 4:06 PM.